

Honorable John W. McCormack
Speaker
House of Representatives
Washington, D. C. 20515

Dear Mr. Speaker:

This letter transmits for the consideration of the Congress a proposed amendment to the National Security Act of 1947, as amended (50 U.S.C. 405). The proposed amendment repeals the \$50 per day compensation ceiling on consultant services imposed by Section 303 of that Act and authorizes the payment of consultant compensation which is competitive with that paid by other Executive agencies.

At the time of its passage, the new offices and agencies created by the National Security Act of 1947 did not have organic legislation to rely upon for the appointment of advisory committees and the employment of part-time advisory personnel. Section 303 was incorporated in the Act to fill this void until such legislation had been enacted.

Organic legislation for the Central Intelligence Agency was enacted in 1949 (50 U.S.C. 403(a)). The CIA Act of 1949 effectively provided the Director of Central Intelligence with all necessary appointment and compensation authority with respect to his office and the Central Intelligence Agency. Nevertheless, the earlier specific language of the National Security Act of 1947 on consultant compensation effectively limits the Director's authority to establish compensation for consultant services. As a result, while the Director may not pay more than \$50 per day, other Executive agencies may pay up to \$83.04 per day; and many others, including the Atomic Energy Commission, the Federal Aviation Agency, and the National Aeronautics and Space Administration, may pay as high as \$100 per day or more. The disparity between what the Director of Central Intelligence can pay and the reasonable market value of outstanding consultants who are in high demand is clearly a handicap to this Agency.

With the repeal of the compensation ceiling in Section 303, the Director could pay consultants fees under the CIA Act of 1949, as amended, which are competitive with those paid by other Executive agencies.

We consider enactment of the proposed amendment essential to the effective performance of our mission and would appreciate early and favorable consideration. The Bureau of the Budget has advised that there is no objection to the presentation of the proposed amendment to the Congress from the standpoint of the Administration's program.

Sincerely,

W. F. Raborn
Director

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